ADS 546 - Acquisition of Operating Expense (OE)-Funded Federal Information Technology (IT) Resources

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546.1   Authority

1.   [**The Federal Acquisition Regulation (FAR), Part 1, Sub-part 1.301**](#)

2**.**   [**The Information Technology Management Reform Act of 1996**](#)
3.   [**USAID Acquisition Regulation (AIDAR), Series 300**](#)
4.   USAID Strategic Information Resources Management Plan

546.2   Objective

To describe the framework for procuring the Agency's [**Federal Information Technology (IT) Resources**](#).

546.3   Responsibility

1. The Deputy Chief Information Officer (CIO), the Director, Bureau for Management**,** Office of Information Resources Management (M/IRM/OD), is responsible for oversight of the acquisition of **IT** resources for both USAID/Washington (USAID/W) and overseas organizations.

2. The Bureau for Management**,** Office of Information Resources Management (M/IRM) is responsible for providing the technical expertise to ensure that Federal Information Technology **(IT)** hardware and software procurement requests are compatible with established and/or planned hardware and software architectures and ensuring that requests are technically accurate and conform to Agency policy.

3. [**Agency organizations**](#) are responsible for contacting M/IRM for technical review prior to procurement of **IT** resources.

546.4   Definitions (See [ADS GLOSSARY](#))

AGENCY ORGANIZATIONS
AUTOMATED DATA PROCESSING (ADP) RESOURCES
CORE EQUIPMENT
FEDERAL INFORMATION TECHNOLOGY (**IT**) RESOURCES
LIFE-CYCLE COSTS FOR COMMODITIES
PURCHASE ORDER (PO)

546.5   POLICY

The following are the official Agency policies and corresponding essential procedures:

546.5.1 ACQUISITION OF OPERATING EXPENSE (OE)-FUNDED FEDERAL INFORMATION TECHNOLOGY (IT) RESOURCES

Acquisition of **IT** resources shall be accomplished in accordance with regulations contained in the Federal Acquisition Regulations (FAR), Information Technology Management Reform Act of 1996 and USAID Acquisition Regulations (AIDAR) (see Mandatory References, FAR, Information Technology Reform Act, and AIDAR).   Acquisition of **IT** resources shall be planned in advance and follow the Agency's Strategic Information Resources Management (IRM) Plan.

E546.5.1 Acquisition of Operating Expense (OE)-Funded Federal Information Technology (IT) Resources

Acquisition of OE-Funded **IT** resources must follow guidance contained in the FAR, Information Technology Management Reform Act of 1996, and USAID Acquisition Regulations (AIDAR). (See Mandatory References, FAR, Information Technology Management Act and AIDAR**.**) Acquisition of these resources must be planned in advance and end-users must ensure that procurement is in line with current Agency standard hardware and software configurations.

546.5.1a EMPLOYEES WITH DISABILITIES

USAID offices acquiring **IT** resources shall ensure that requirements of employees with disabilities are identified during the analyses of requirements and determination of needs phases of the procurement planning process.

E546.5.1a Employees with Disabilities - N/A

546.5.1b CORE EQUIPMENT

Agency organizations shall use standard, commercially readily available (off-the-shelf hardware and software) whenever possible. The development or acquisition of customized hardware and software shall be prohibited unless the cost effectiveness of developing custom software is clear, documented, and the items have been approved by the Bureau for Management, Office of Information Resources Management (M/IRM) prior to acquisition.

Agency organizations shall act as providers of services only if a commercial service is:

1)   not available to the user during the time needed;

2)   not adequate from either a technical or operational standpoint; or

3)   significantly more costly, i.e., saving must exceed 10 percent of the cost of commercial services.

Agency organizations must obtain approval from M/IRM before these actions shall be authorized.

E546.5.1b   Core Equipment

The Bureau for Management, Office of Information Resources Management, Planning, Management and Acquisition Division (M/IRM/PMA) shall provide contracting support for acquisition of Agency **IT** resources. There are three basic mechanisms for procurement of **IT** resources: M/IRM core contracts, pre-negotiated Federal contracts, and open-market. The following procedures must be followed:

1) If an organization decides to use a M/IRM/PMA federally-competed contract, it must provide information that identifies resources to be acquired and, at a minimum, provide:

a.   the contract name and number;

b.   appropriate Contract Line Item Number(s) (CLIN) used in the core contract;

c.   vendor-provided description;

d.   unit price; and

e.   the quantity request and funding information for the total quantity of the request.

2) The approval process for use of a core contract begins once M/IRM receives the procurement request. After M/IRM has reviewed the request, M/IRM must provide a written response to the requesting organization describing the outcome of the review. For **IT** resources that are approved, the acquisition process must be initiated within 90 days of receiving the approval to ensure that the technical solution approved is consistent with current Agency direction. If the acquisition process is not initiated within 90 days, the requesting organization must reconfirm with M/IRM that the technical solution is still valid. The reconfirmation must be provided by cable, electronic mail (E-Mail) facsimile, memorandum, or other form of written approval. Once approved, the requesting organization must proceed with the acquisition.

3) Agency organizations shall issue orders for **IT** resources directly against one of the corporate (core) contracts once M/IRM approval has been received for the items to be acquired. A copy of each order placed directly must be sent to M/IRM by the ordering organization to ensure that the Agency's delegation of procurement authority for the providing contract is not exceeded.

4) Requests not utilizing one of the Agency's core contracts must state the requirements in order of preference in terms that address:

      a.   the functional systems requirement (a procurement that requires a Statement of Work);

      b.   as a combination of functional systems and equipment performance requirements;

      c.   equipment performance requirements;
      d.   specified make or model; and

      e.   sole source.

546.5.1c   TECHNICAL REVIEW

All requests for **core equipment** must be submitted to M/IRM for technical review prior to purchase. Once technical approval has been received from M/IRM, missions must then proceed with the equipment request.

E546.5.1c   Technical Review

Prior to acquiring OE-Funded **IT** resources (including telecommunication resources) all USAID/W and overseas organizations must submit technical **IT** requirements (although the technical requirements constantly change, some examples are network interface, version of software, size of hard drive, etc.,) to M/IRM for review and approval. The following procedures must be followed:

1) Requests for USAID/W acquisitions that are processed through M/IRM, must be complete, include all descriptive information, official approval, and funding citation. The requesting organization (any Agency organization that interfaces directly with M/IRM) must prepare the request, which must include:

      a.   a clear description of the goods to be purchased;

b.   suggested vendor;

c.   all supporting documentation (e.g. related cables and correspondence);

d.   funding data and approval;

e.   authorizing signature;

f.   adequate shipping and delivery instructions; and

g.   special instructions if required.

Requesting organizations must send requests through the acquisition process in groups on a quarterly basis corresponding to funds availability.

2) When preparing procurement information for M/IRM, overseas organizations must:

a.   group hardware and software items separately;

b.   start at the top of the document and number each item;

c.   clearly describe the items and provide model numbers;

d.   list items to be procured without including them in the narrative section of procurement cables from missions; and

e.   clearly designate quantity.

Fund cite information must be placed at the end of the cable and the authorized amount in U.S. dollars must be included. For software items:

a.   stand-alone or LAN versions must be indicated;

b.   power requirements (voltages) must be indicated;

c.   clear shipping instructions must be provided;

d.   adequate funding to cover shipping cost must be provided; and

e.   pricing for each individual item, total price, and a recommended supplier for each item.

3) M/IRM recommends that overseas organizations prepare and issue **purchase orders (POs)** locally for ADP hardware and software items. M/IRM shall prepare and send to missions minimum standards for equipment and software. M/IRM's approval shall not be required for purchasing equipment or software defined within the minimum standard.

4) Overseas organizations must consult the M/IRM Regional Client Analyst prior to preparing a purchase order for non-standard and core hardware and software. Where necessary, M/IRM shall distribute common specifications for certain types of non-core equipment. In those cases, M/IRM approval shall not be required for buys that follow as long as the stated common specifications are adhered to. For modification to purchase orders for M/IRM buys, only cabled or E-Mail requests shall be accepted. Deletions or additions to the original cable request must also be specified by cable or E-Mail.

5) Overseas organizations must send a copy of the purchase order to M/IRM by fax prior to issuing the purchase order to the vendor. M/IRM must review the order and approve it through E-Mail or Fax or make recommendations for changes. If this is not feasible, the configuration, as it appears on the purchase order, must be sent by E-Mail to M/IRM for review. The following information must be included in the E-Mail:

     a.   item description with model/part number;

     b.   price;

     c.   quantity; and

     d.   suggested vendor.

6) Overseas organizations also have the option of utilizing services provided by M/IRM to procure ADP hardware and software. Each procurement must be reviewed and approved by M/IRM before an order is issued. After M/IRM's approval is granted, the procurement proceeds. M/IRM shall only process orders that are on pre-negotiated contract vehicles (i.e., other governmentwide contracts). M/IRM shall buy a small number of products on an order from the GSA Schedules if 90 percent of the order comes from pre-negotiated contract vehicles. M/IRM shall track and administer all orders that it issues.

With guidance from M/IRM, the requesting Agency organization must complete all necessary pre-acquisition documentation supporting major acquisitions (i.e., acquisitions where the total life-cycle cost is $5 million or above)**.** M/IRM shall determine which pre-acquisition documents

are necessary to support the acquisition. M/IRM shall provide technical support in preparation of pre-acquisition documents.

Once the decision has been made to procure **Automated Data Processing (ADP)** resources, the requesting individual (e.g. Executive Officer, System Manager, etc.,) must discuss the most effective acquisition vehicle and procedure with a representative from the Bureau for Management**,** Office of Procurement (M/OP) or the Planning, Management and Acquisition Division (M/IRM/PMA).

546.5.1d   CORE ACQUISITION FUNDING

In USAID/W, funding for all corporate (core) acquisitions shall be centralized in M/IRM. USAID/W organizations must purchase core equipment directly through M/IRM.

Agency organizations must provide funding to acquire specialized or unique software and related hardware needs. Organizations with specific appropriations and/or legislative mandates must provide funding (e.g., the Office of the Inspector General (IG)). Overseas organizations must also provide funding to acquire **IT** resources. The funding vehicle used for these transactions is the New Management System (NMS) Acquisition and Assistance (A&A) Planning Module Request Input Screens.

E546.5.1d   Core Acquisition Funding - N/A

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